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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR-1/69

29 September 1958

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events 12 - 25 September 1958

In recent weeks the Sino-Soviet Bloc has pressed to expand its economic ties with Iraq and has continued its efforts to obtain a firmer foothold in Tunisia and Morocco. East Germany, Czechoslovakia, and Hungary have made overtures to the new Iraqi regime, and Communist China has trade missions active in Tunisia and Morocco. A permanent Soviet economic delegation in Morocco reportedly has entered a bid to supply 120 jeep-type vehicles to the Moroccan Army and has offered to buy all existing surpluses of sardines and palmetto fibers.

Economic difficulties are causing Sudan to view with increasing favor a pending offer of Soviet financial and technical assistance. The USSR, however, now may be somewhat cooler to Sudanese responses than when the offer was first made because of recent Sudanese negotiations with the US and because of the difficulty of simultaneously accommodating the aspirations of both Egypt and Sudan.

Rumania has offered India 1 million metric tons of finished petroleum products at prices reportedly lower than prevailing international prices. Payments will be used to finance within India further oil exploration work and the construction of refineries.

Under the terms of a Chinese Communist \$10.5-million credit, Ceylon will begin to receive machinery and equipment this year.

Indonesia reportedly has been offered a new \$50-million line of credit by Communist China and 200,000 metric tons of rice by the USSR. There is some dissatisfaction over the offering price of the rice and the prospect of a Communist propaganda effort in connection with this overture.

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